a five year tax holiday, simplified DTA access with reduced rate of duty, concessional lease rent on industrial plots and sheds allotted in Export Processing Zones and delegation of powers to the Development Commissioners.

(c) and (d) Inter-ministerial consultations are separately underway on the report submitted by the Committee set up to consider the advisability of establishing a Free Port in the country.

Procedural strangles in Project Exports

3329. SHRI SATISH PRADHAN : Will the Minister of COMMERCE be pleased to state .

(a) whether Government's attention has been drawn to the news report appearing in the Financial Express dated the 8th February 1993 under the caption "Procedural strangle-hold leaves project exports gasping for breath";

(b) if so, what is the reaction of Government to the observations made therein; and

(c) what are the details of steps taken to streamline the arrangement to boost up project exports ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) Yes, Sir.

(b) A statement is attached. (*See* below)

(c) The existing Working Group mechanism is working satisfactorily.

Statement

Comments of Government on major issues raised in the News item appearing in the Financial Express dated the 8th February 1993 on the Project Exports.

	ISSUE	COMMENTS
1.	Project exports were a disappointing Rs. 225 cr. against a target of Rs. 1000 crore in 1991-92.	Total project exports including foreign exchange earnings from Consultancy Services increased from Rs. 1115 crores in 1990-91 to Rs. 1417 crores in 1991-92.
2.	Leaking of vital data with respect to bids.	All data furnished by the exporters to Working Group members are treated as extremely confidential and there is no possibility of any leakage.
3.	Apart from registering as project exporter with OCCI which itself is a three month long process with lengthy froms to be filled, the pre-bid clearance from commercial bank, EXIM Bank working group takes another 20 days.	As per the RBI Guidelines to project exporters, exporters are required to submit their application to Working Group at least 10 working days before the last date of bid submission, to facilitate the institutions in undertaking appraisal of the proposals and obtaining internal approvals. However, EXIM Bank reports that proposals are generally received from exporters 5—10 working days before the bid submission date and are granted clearance by the Working Group at short notice. Further, it is not true that the overseas project [illegible] not require any clearance

ISSUE	COMMENTS
	from authorities/institutions in other countries for bidding for overseas projects. Generally, the international banks take a period of 30—45 days to make commitments for funded/non-funded facilities. OCCI's clearance is required for a new entrant in the civil construction export market and not for individual bid, and it is a one time clearance.
4. There is need to empower the bank or consortia for banks to scrutinise the proposals.	Scrutiny of the proposals by Commercial Banks alone is not considered adequate for proper credit assessment.
5. Indian companies are not in a position to provide soft credit terms to clients.	India is not a capital exporting country and it is not feasible to support projects with soft credits, but for exceptional contracts negotiated on political terms by Government of India.
6. The project terms, including agency commission, site offices being opened purchase of equipment from third country and guarantees has to be cleared by RBI.	Prior approval of RBI is not essential for any of these items.
7. RBI and EXIM Bank expect the projects to be self financing and the overseas borrowing can only be availed up to 15% of the contract value that too with previous RBI approval.	These are the general guidelines of RBI, but need based requirement for higher amounts are also considered and approved by RBI on merits.
8. 100 per cent tax break as in the case of other exports.	This proposal has been examined by Government but it has not been found possible to accept the same.

Value of Books and Periodicals exported

3330. SHRI MOHAMMED AFZAL alias MEEM AFZAL: Will the Minister of COMMERCE be pleased to state the year-wise value of books, newspapers and magazines that were exported during the last three years ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Exports of books and publiations during the last three years has been as under :

(Value : Rs./crores)

Year	Exports	
1989-90	30.00	
1990-91	33.00	
1991-92	41.50	(Estimated)

Sources : The Chemicals & Allied Products Export Promotion Council (CAPEXIL), Calcutta.